STANDARD FORM NO. 64

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Office Memorandum • UNITED STATES GOVERNMENT

TO : ARA - Mr. Cabot

FROM : MID - Mr. Burrows

DATE: February 10, 1954

SUBJECT: Draft Memorandum on Handling of Guatemala at Caracas

Attached for your clearance is a draft memorandon om Guatemala and the Discussion of Communism at the Tenth Inter-American Conference.

I understand that AR is preparing a memorandum transmitting to the Under Secretary the main position paper on Communism, together with the attached memorandum on Guatemala, which will go forward to you for signature as soon as the attached memorandum is cleared.

The detailed annexes to the Guatemalan memorandum are still in preparation.

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SUBJECT: Guatemala and the Discussion of Communism at the Tenth Inter-American Conference

The paper outlining the United States position on the agenda item "Intervention of International Communism in the American Republics" does not call for the United States delegation itself to introduce discussion of the specific Communist situation in Guatemala. This decision is based on both legal and political grounds. It would be difficult for the United States, the most powerful country in the hemisphere, convincingly to maintain that Guatemala constituted a threat to its political independence or territorial integrity, and to invoke the Rio Treaty on those gounds. Politically, the United States should avoid appearing as leading a movement against any one of its small neighbors. Such appearance would inevitably cause opposition from a number of other Latin American countries. However, it seems clear that as a result of Guatemala's own action at the Conference, or through other developments, a specific discussion of Communist penetration in Guatemala will take place.

The minimum United States objective at Caracas with respect to the Communist item is to achieve adoption of a resolution which will lay ground work for subsequent positive action against Guatemala by the Organization of American States. Our maximum objective would be the adoption, should conditions permit, of effective multilateral measures against Guatemala at Caracas.

It is clear that Guatemala will attend the Caracas Conference not in the role of defendant but with aggressive intent to disrupt constructive discussion of the Communist problem by making charges of intervention against the United States. The basic Guatemalan theme has already been made clear by statements of Guatemalan officials, including former Ambassador to the United States Guillermo Toriello, who as Foreign Minister is expected to head the Guatemalan delegation to Caracas, and to present the Guatemalan case there with cleverness and determination. The basic Guatemalan premise is that the United States is engaged in "imperialist" aggression against Guatemala in order to protect the interests of American companies, principally the United Fruit Company which have extensive operations in Guatemala and which are allegedly opposing Guatemala's efforts to carry out social and economic reforms. This oft-repeated charge has more recently been embellished by unfounded accusations of Guatemalan officials that Secretary Dulles and Assistant Secretary Cabot are among officials of the Department

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of State who have private vested interests in the United Fruit Company, and who are using their official positions in this Government to attack Guatemala; and that the United States has "acquiesced" in a huge plot financed by the United Fruit Company and supported by various Guatemalan nationals in exile and Governments of neighboring countries to overthrow the Guatemalan Government.

The United States must exercise leadership at Caracas to insure: (1) that Guatemala does not divert the Conference from constructive discussion of agenda item five; (2) that Guatemala does not achieve prolonged discussion of alleged United States imperialism under any Conference agenda item; and (3) that a Guatemalan attempt to wrest the initiative is countered by full exposure of Communist penetration of that country. Such exposure should be made by a delegation or delegations other than ours, preferably of countries not on the extreme right wing.

In considering the possible tactics of the Guatemalan delegation at the Conference, attention must be paid to the following possibilities: (1) the Guatemalan delegate may enter the discussion of agenda item five by impugning the motives of this Government in sponsoring such item; (2) the Guatemalan delegate may, in an opening speech, make a simple accusation against the United States along the lines indicated above without calling for any other action; (3) the Guatemalan delegation may attempt to inject their complaint against the United States into the discussion of some other agenda item, such as that on "Peaceful Relations Among Governments"; (4) the Guatemalan delegate may seek the convocation of a meeting of consultation of Foreign Ministers at Caracas to consider charges of United States intervention. (As noted above, the Guatemalan Government on January 29, 1954, issued a press release carrying charges of an invasion plot by certain elements in Guatemala and neighboring countries, accompanied by alleged documentary evidence in support thereof, including an allusion that the United States Government acquiesced to the conspiracy. The Guatemalan Government may intend to produce further alleged evidence in this connection at Caracas.)

From the United States viewpoint, the injection by Guatemala of its charges into the discussion of item five would be more advantageous than elsewhere in the Conference proceedings since this would constitute an invitation by Guatemala itself to discuss and expose the extent of Communist influence in that country. If the Guatemalan charges are released in

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plenary session or in connection with an item other than item five, it should be made clear by the United States delegation that the United States considers these obviously false charges irrevelant to any item on the agenda of the Conference, except insofar as they reveal an attempt on the part of the international Communist conspiracy to prevent constructive action under item five. If any further consideration is to be given the charges, they should be given under item five. The United States should oppose introduction of a new agenda item on this subject by Guatemala and should raise a point of order if an attempt is made to consider the Guatemalan charges under any item other than item five. If the question goes to the Steering Committee, the United States should take the position that the only item under which it can correctly be discussed is item five.

United States Position

In seeking to achieve our minimum objective, it is intended to press for adoption of a resolution which, without mentioning Guatemala by name, could be supported by every nation but Guatemala. Adoption of our proposed resolution, especially the paragraph covering point number five on page one of the position paper on Guatemala, would in effect express the serious concern of the OAS over the penetration of Communism in Guatemala and would lay the necessary ground work for subsequent positive multilateral action. Furthermore, the United States delegation should encourage a friendly delegation to propose that the United States draft resolution be expanded so as to authorize the COAS, in event of a request by any American State for convocation of the Organ of Consultation under the Rio Treaty, to carry out an investigation of the extent to which Communist penetration of any given country, (e.g. Guatemala), constitutes basis for application of Article VI of the Treaty.

The United States should seek to prevent the discussion of alleged American intervention at the Conference. However, if and when Guatemala introduces the subject, the United States should immediately cause it to be linked with the subject of Communist penetration of Guatemala. Having established the link, the United States should seek to confine discussion to Communist penetration, and prevent return to the topic of alleged intervention. The United States should make it clear that the two questions of Communist penetration of the hemisphere and treatment of American commercial interests abroad are entirely separate; and that the United States Government would continue to regard the Communist growth in Guatemala as potentially dangerous to the hemisphere even if the Guatemalan Government were to make, through the available normal methods, a complete and satisfactory settlement of its differences with American companies.

Annex A

Annex A contains for the information of the delegation several of the more evident points which the Guatemalan delegation is expected to make concerning alleged United States intervention, together with the United States positions thereon.

Annex B to this paper contains a summary of information concerning Communist penetration of Guatemala which can be made available for the use of other delegations in the debate on Communism at Caracas.